

Charity Registration No. 1124896

Company Registration No. 06412345 (England and Wales)

**NEWCASTLE UNITED FOUNDATION
(A CHARITABLE COMPANY LIMITED BY
GUARANTEE)**

**TRUSTEES' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2018**



NEWCASTLE UNITED FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Alexander L Charnley J Marshall B Thorpe G Mason J Doyle S A Harper M R Thompson
Charity number	1124896
Company number	06412345
Registered office	St James' Park Newcastle upon Tyne Tyne and Wear NE1 4ST
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

The trustees present their report and consolidated financial statements for the year ended 31 July 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

Policies and objectives

The Foundation's mission is:

To use the local passion for football to encourage learning and promote healthy lifestyles that will make a real difference to the lives of children, young people and families in our region.

The Foundation's aims are:

- To promote active and healthy lifestyles, particularly in disadvantaged communities;
- To inspire people to learn and reach their potential;
- To help build safe, strong, active communities.

We do this by using the Newcastle United brand to engage, inspire and motivate.

The Foundation's values are:

- Put people at the heart of everything we do;
- Ensure quality and professionalism underpins our work;
- Use our charitable funds and support wisely;
- Promote equality and diversity.

We class our area of benefit as the local authority areas of Newcastle, Gateshead, Durham, North Tyneside and Northumberland.

Activities for achieving objectives

The Foundation employed 71 staff (2017: 53) and 0 lottery sellers (2017: 5) along with 72 sessional coaches (2017: 57) during the year to work across all its activities throughout Newcastle, Gateshead, Durham, North Tyneside and Northumberland. The Foundation plays an important role in increasing access to and encouraging active participation in football and sport, in line with the Football Association, Sport England's strategy and NHS strategies. Using the brand of Newcastle United, the Foundation's projects also make an impact on health, crime and anti-social behaviour and on raising educational standards within the local community.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

During the year there were 58,000 (2017: 54,230) attendances on Foundation programmes (target 57,000). In the review of 2017/18 we have not just focused on who we helped and what we did but on where we worked for the public benefit. Our main method of assessing success is the number of people completing programmes, along with specific measureable targets for certain projects and activities (such as number of qualifications achieved for education programmes or income generated for holiday courses and fundraising activities).

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

Highlights

Learning and Skills

- School engagement reached 103 Primary Schools, 26 Secondary Schools and 39 SEN schools
- 6758 individuals took part in Primary Stars
- 5349 pupils visited St James' Park to take part in a Toon Team Day
- 3069 children and adults took part in Family Learning
- 2734 primary school pupils learned about tackling discrimination through Onside
- 2192 primary school pupils learned about healthy eating through Match Fit
- 506 secondary school pupils took part in Premier League Enterprise with 97% passing an ASDAN award
- 256 secondary school pupils took part in Five-a-side, achieving a total of 551 ASDAN Units
- 53 young offenders received mentoring to reduce re-offending rates

Football and sports development

- 2786 people attended a match day experience
- 2123 children participated in holiday soccer schools and 641 in weekly coaching
- 1320 children and adults participated in disability football
- 1325 girls participated in regular football sessions
- 159 college students benefited from regular coaching by the Foundation

Community

- 1894 young people participated in free football through Kicks
- 350 16 year olds took part in National Citizens Service
- 101 unemployed young adults enrolled on Talent Match with 30% securing employment in the year
- 72 homeless and vulnerable young adults took part in weekly Street Football
- 53 young patients in the Great North Children's Hospital benefited from the Foundation's support with funding from the Sir Bobby Robson Foundation
- The first Prince's Trust Team cohort took place in spring 2018 with 25 young adults
- 21 participants completed Premier League Works and received a qualification in personal and social skills
- Through NE1 Works, 61 young people gained work experience with 94 local employers across all sectors in Newcastle
- Foundation coaches provided monthly coaching sessions to the Newcastle Panthers, an inclusive LGBTQ football team
- 85 volunteers gave their time across all Foundation programmes

Health

- 592 people over 40 received an NHS health check
- 142 over 50s took part in Walking Football
- The Foundation was awarded funding from the PLPFA Community Fund for a new mental health initiative
- 20 people from local businesses took part in the first Foundation Mental Health First Aid (MHFA) course which teaches people how to identify, understand and help someone who may be experiencing a mental health issue.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

Strategic report

Financial review

Total incoming resources for the year were £3,640,682 (2017: £2,711,266) and total outgoing resources were £3,474,544 (2017: £2,660,329). This has led to net incoming resources of £166,138 (2017: £50,937).

Income has increased significantly during the year (by £929k). Partly this is due to the capital appeal for the new community building (Murray House) which has generated £283k towards development costs (2017: £47k). Offsetting this is a reduction in the payroll donation received from NUFC to fund the staff bonus, which was lower than in 16/17 when the club were promoted to the Premier League. A significant portion of the increase in income relates to increases across a range of areas during the year, which is discussed below.

Fundraising income increased due to the 125 year Foundation Dinner which was a larger scale event bringing in an additional £40k in income compared to 2016/17. In addition, the CEO sleep out generated £9k more than last year and an abseil event generated £12k income. Matchday lottery income increased by £27k with the introduction of additional sellers following the decision to outsource this activity. In 2017/18 the matchday lottery was operated by a third party agent, BD Sports. The Foundation complies with the Fundraising Regulator's voluntary regulation scheme and has taken the necessary steps to ensure vulnerable people and members of the public are protected in relation to fundraising activities.

Amounts received from football coaching increased by £68k in the year, driven by increased numbers attending courses. Sales of services increased in the year due to an increase in Primary Stars income, partly driven by the more inclusive packages offered.

There have been increased numbers on the National Citizen Service programme in the year.

There were a number of grants which were new, or recognised in full for the first time in the year. These include Family Learning (Big Lottery Fund), Great North Children's Hospital (Sir Bobby Robson Foundation), Wise Steps and Moving on Tyne and Wear, Prince's Trust Team (Newcastle College), PL Girls and Wellbeing in Newcastle (Premier League). These have all contributed to an increase of £260k in grant income.

Expenditure on generating funds has increased due to the higher costs associated with the fundraising dinner being held at an alternative venue. Expenditure on charitable activities remained at 92% of total expenditure.

The costs of charitable activities largely comprises salaries and direct project costs. This increase in costs reflects the increase in staff members in the year in line with increased programme activity. With increased income and increased delivery requirements we have also had a higher demand for resources to support this delivery in terms of venue hire, equipment and resources.

Reserves policy

A large proportion of the Foundation's annual running costs are met by the receipt of grant funding (subject to any relevant performance conditions). The trustees seek to maintain the level of free reserves to cover at least three months running costs of current activities and monitor the position twice a year. This is estimated at £798k. Reserves at 31 July 2018 stood at £845,957 (2017: £679,819) of which £70,212 (2017: £70,000) were designated and £251,222 (2017: £nil) restricted, with £70,832 held in fixed assets, leaving free reserves of £453,691 (2017: £609,819), which is a shortfall compared to the target, however the Trustees are committed to building up reserves in line with the target given the small annual surpluses planned.

Going concern

After making appropriate enquires, the trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Investment policy and performance

The trustees have powers to invest funds as they see fit as set out in the memorandum and articles of association. At the present time, surplus cash reserves are held in short to medium term deposit accounts.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

Risk management

The Trustees maintain a comprehensive risk register, which is reviewed on a regular basis. Key risks are considered to be safeguarding and the capital project, given the significant funding required for this. The board have considered the impact of these and other risks and are satisfied that the systems and procedures the charity has in place as sufficient to mitigate these.

Plans for the future

2017 - 2020 Business Plan

During the year the Foundation produced a new three year business plan.

VISION

Our vision for the next three years is:

- To grow, because we see the need for what we do
- To be better, because we aspire to be the best we can be
- To increase our reach and impact, through new programmes, facilities and resources
- To be admired and respected for our work

The progress made towards five strategic objectives which will help us realise this vision is detailed below:

Strategic objective	2017/18 Target	Achievements in 2017/18
1. Facilities	To submit the planning application to redevelop the Murray House site.	We made significant progress in our project to redevelop Murray House. The plans were submitted to Newcastle City Council in February 2018 and we received a 'minded to grant' planning permission decision in July 2018.
	To secure planning and transfer the asset to the Foundation.	The asset transfer was not finalised as the completion of the Section 106 was delayed by the City Council.
	To open a new Football Centre in Lemington.	Completion of the lease was delayed by City Council until the end of 2018 but the Foundation moved into the site and began preparation for opening in late 2018.
	To be a key partner in the City's Parklife project.	The Foundation was a key partner in the development of the two Parklife Hubs in Newcastle and will be invited to join the newly formed Trust board in 2018/19.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2018

- 5 -

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

Structure, governance and management

Constitution

Newcastle United Foundation is a company limited by guarantee, governed by its memorandum and articles of association dated 25 October 2007 and amended on 29 January 2010. On 8 July 2008 it registered as a charitable company with the Charity Commission (registered number 1124896).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

C Alexander

L Charnley

J Marshall

B Thorpe

G Mason

J Doyle

(Appointed 11 October 2017)

S A Harper

(Appointed 24 January 2018)

M R Thompson

(Appointed 30 April 2018)

Method of appointment or election of trustees

As set out in the articles of association, trustees are appointed by members. The subscribers to the memorandum and such other persons or organisations as are admitted to membership in accordance with its articles are members of the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure and decision making

Our trustees meet four times a year for formal board meetings, in addition to which the Head of Foundation meets with the chair of the trustees on a monthly basis for a business review meeting. Trustees provide leadership for the Foundation's strategy and monitor our performance to ensure we are staying focused on our declared mission. The trustees also provide valuable networking support and access to various other stakeholders. During the year the charity established two sub-committees of the board; Finance and Risk and Nominations and Remuneration.

The Head of Foundation is appointed by the trustees to manage the day-to-day operations of the charitable company and lead the Senior Management Team. The senior management team ensures the Foundation achieves its mission and its business plan, and works together to look at all the key issues involved with running the organisation. During the year the Senior Management Team comprised Head of Foundation - Kate Bradley, Development Manager - Sarah Medcalf, and Operations Manager - Steve Beharall and the Finance Manager. The Finance Manager left the organisation at the end of the financial year and was subsequently replaced by a new Finance and Resources Manager and Management Accountant. This team meets monthly.

The pay of key management personnel is reviewed annually. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charity can afford any proposed increase.

Trustee induction and training

New trustees receive an induction pack which includes the memorandum and articles of association, business plan and recent financial performance of the charitable company. They are all asked to sign a Declaration of eligibility to act, a Declaration of interests form and Confidentiality statement. Trustees, once appointed, receive relevant ongoing support and training in their role.

NEWCASTLE UNITED FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

Related party relationships

Although Newcastle United Foundation is governed and financed independently of Newcastle United Football Club (the Club), the Club supports the charitable company in many ways, including through gifts in kind of match tickets, accommodation and merchandise. Further information can be found in the notes to the accounts.

The Foundation is grateful for the support of the Club's Managing Director, Lee Charnley, Head of Finance, Claire Alexander, Head of Business Development, Nicole Atkin, Head of Media, Lee Marshall and Head of Facilities, Eddie Rutherford, Head of Security Steve Storey and for the ongoing support of other Club staff in areas such as accounts, payroll, IT, HR, facilities and the press office.

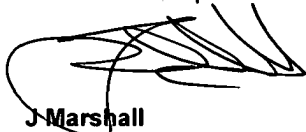
Auditor

RSM UK Audit LLP were appointed as auditor to the company on 14 August 2018 and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees on and signed on its behalf by:



J Marshall

Chair

Dated: 6 February 2019

6/2/19

NEWCASTLE UNITED FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 JULY 2018

The trustees, who are also the directors of Newcastle United Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCASTLE UNITED FOUNDATION

Opinion on financial statements

We have audited the financial statements of Newcastle United Foundation (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 July 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCASTLE UNITED FOUNDATION (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Lucy Robson (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

1 St. James' Gate

Newcastle upon Tyne

NE1 4AD

08/02/19

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	263,716	697,021	960,737	625,788
Charitable activities	4	1,053,210	1,260,365	2,313,575	1,818,735
Other trading activities	5	364,631	-	364,631	264,514
Investments	6	1,739	-	1,739	2,229
Total income		1,683,296	1,957,386	3,640,682	2,711,266
<u>Expenditure on:</u>					
Raising funds	7	234,185	48,683	282,868	207,234
Charitable activities	8	1,534,195	1,657,481	3,191,676	2,453,095
Total resources		1,768,380	1,706,164	3,474,544	2,660,329
Net (expenditure)/income for the year/ Net movement in funds		(85,084)	251,222	166,138	50,937
Total funds brought forward		679,819	-	679,819	628,882
Total funds carried forward		594,735	251,222	845,957	679,819

The statement of financial activities includes all gains and losses recognised in the year.


All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEWCASTLE UNITED FOUNDATION**CONSOLIDATED BALANCE SHEET****AS AT 31 JULY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13		70,832		13,820
Current assets					
Debtors	15	267,674		129,979	
Cash at bank and in hand		1,157,060		1,129,827	
		1,424,734		1,259,806	
Creditors: amounts falling due within one year	16	(649,609)		(593,807)	
Net current assets			775,125		665,999
Total assets less current liabilities			845,957		679,819
Income funds					
Restricted funds	20		251,222		-
<u>Unrestricted funds</u>					
General unrestricted funds		524,523		609,819	
Designated funds		70,212		70,000	
			594,735		679,819
			845,957		679,819

The financial statements were approved by the Trustees on 6 February 2019




J Marshall
Chair

NEWCASTLE UNITED FOUNDATION**COMPANY BALANCE SHEET****AS AT 31 JULY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13		70,832		13,820
Investments	14		2		1
			<u>70,834</u>		<u>13,821</u>
Current assets					
Debtors	15	414,975		114,689	
Cash at bank and in hand		1,127,550		1,115,427	
		<u>1,542,525</u>		<u>1,230,116</u>	
Creditors: amounts falling due within one year	16	(768,992)		(564,119)	
Net current assets			<u>773,533</u>		<u>665,997</u>
Total assets less current liabilities			<u>844,367</u>		<u>679,818</u>
Income funds					
Restricted funds	20		258,063		-
<u>Unrestricted funds</u>					
General unrestricted funds		516,092		609,818	
Designated funds		<u>70,212</u>		<u>70,000</u>	
			<u>586,304</u>		<u>679,818</u>
			<u>844,367</u>		<u>679,818</u>

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent company is not presented as part of these accounts. The parent company's total income resources for the financial year amounted to £3,544,614 (2017: £2,711,266) and the net movement in funds for the financial year amounted to a surplus of £164,549 (2017: £50,936).

The financial statements were approved by the Trustees on 6 February 2019



J Marshall
Chair

NEWCASTLE UNITED FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	22		89,481		145,099
Investing activities					
Purchase of tangible fixed assets		(63,987)		(13,297)	
Interest received		1,739		2,229	
Net cash used in investing activities			(62,248)		(11,068)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			27,233		134,031
Cash and cash equivalents at beginning of year			1,129,827		995,796
Cash and cash equivalents at end of year			1,157,060		1,129,827

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies

Charity information

Newcastle United Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is St James' Park, Newcastle upon Tyne, Tyne and Wear, NE1 4ST.

Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Newcastle United Foundation Projects Limited, on a line-by-line basis. A separate Statement of Financial Activities for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The charity also wholly owns Newcastle United Women's Football Club Limited, a dormant company.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (Continued)

Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Gifts in kind are included in the statement of financial activities at a reasonable estimate of their value at the time they are utilised by the charity, with an equivalent amount recognised as charitable expenditure. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor, where such a cost is quantifiable and measureable.

Interest on funds held on deposit is included when receivable and the amount can be measured by the charity, this is normally upon notification of the interest paid and payable by the Bank.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of attracting voluntary income, and those incurred in trading activities that raise funds.
- Expenditure on charitable activities includes the costs of specific programmes undertaken to further the purposes of the charity and their associated support costs.
- Support costs are those costs incurred directly in support of expenditure on the objects of the company. Support costs included governance costs, which are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.
- Support costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of apportionment of income.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	5 years straight line
Fixtures and fittings	3 - 5 years straight line
Computer equipment	3 - 5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (Continued)

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (Continued)

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donations and gifts	28,212	323,701	351,913	406,944
Grants received from Charitable Foundations	100,000	373,320	473,320	92,020
Gifts in kind	135,504	-	135,504	126,824
	<u>263,716</u>	<u>697,021</u>	<u>960,737</u>	<u>625,788</u>
For the year ended 31 July 2017	<u>585,788</u>	<u>40,000</u>		<u>625,788</u>

Gifts in kind

Gifts in kind comprise matchday tickets, vehicle use, office space and training pitch facilities.

The increase in donation and legacy income is primarily due to a £283k increase in capital income received from Charitable Foundations in the year, relating to the Murray House project.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

4 Charitable activities

By source of funding	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Football coaching & education - fees received	305,992	-	305,992	237,599
Sale of services as part of charitable activities	499,265	-	499,265	342,252
Contractual payments from governments or public authorities	230,314	52,130	282,444	282,152
Grants received for the provision of services	17,639	1,208,235	1,225,874	956,732
	<u>1,053,210</u>	<u>1,260,365</u>	<u>2,313,575</u>	<u>1,818,735</u>
For the year ended 31 July 2017	<u>877,965</u>	<u>940,770</u>		<u>1,818,735</u>
By charitable activity				
Income from:				
Football development	371,915	275,013	646,928	608,745
Learning and Skills	316,713	545,682	862,395	596,853
Community	307,186	391,258	698,444	555,248
Health	12,912	48,412	61,324	26,770
Other	44,484	-	44,484	31,119
	<u>1,053,210</u>	<u>1,260,365</u>	<u>2,313,575</u>	<u>1,818,735</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fundraising events	266,736	-	266,736	179,819
Online auctions and sale of goods and services	19,734	-	19,734	33,768
Matchday lottery	78,161	-	78,161	50,927
Other trading activities	<u>364,631</u>	<u>-</u>	<u>364,631</u>	<u>264,514</u>
For the year ended 31 July 2017	<u>264,514</u>	<u>-</u>		<u>264,514</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

6 Investments

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Interest receivable	1,739	-	1,739	2,229
For the year ended 31 July 2017	2,229	-		2,229

7 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fundraising events	110,787	-	110,787	46,468
Online auctions and sale of goods and services	8,886	-	8,886	20,552
Matchday lottery	23,483	-	23,483	19,266
Staff costs	46,316	-	46,316	52,828
Other direct costs	1,572	-	1,572	12,332
Support costs	43,141	48,683	91,824	55,788
	234,185	48,683	282,868	207,234
For the year ended 31 July 2017	207,234	-		207,234

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

8 Charitable activities

	Football and sports development £	Learning and Skills £	Community £	Health £	Total 2018 £	Total 2017 £
Staff costs	524,279	785,614	316,828	44,191	1,670,912	1,350,801
Depreciation and impairment	1,224	-	-	-	1,224	3,677
Direct project costs	296,668	185,697	296,953	33,302	812,620	594,774
Provision of donated tickets and facilities	38,633	51,500	41,709	3,662	135,504	126,824
	<u>860,804</u>	<u>1,022,811</u>	<u>655,490</u>	<u>81,155</u>	<u>2,620,260</u>	<u>2,076,076</u>
Share of support costs (see note 9)	159,146	212,152	168,669	15,086	555,053	377,019
Share of governance costs (see note 9)	4,549	6,218	5,160	436	16,363	7,933
	<u>1,024,499</u>	<u>1,241,181</u>	<u>829,319</u>	<u>96,677</u>	<u>3,191,676</u>	<u>2,453,095</u>
Analysis by fund						
Unrestricted funds	559,247	534,506	396,608	43,834	1,534,195	
Restricted funds	465,252	706,675	432,711	52,843	1,657,481	
	<u>1,024,499</u>	<u>1,241,181</u>	<u>829,319</u>	<u>96,677</u>	<u>3,191,676</u>	
For the year ended 31 July 2017						
Unrestricted funds	617,551	326,628	494,740	-		1,438,919
Restricted funds	314,989	413,898	285,289	-		1,014,176
	<u>932,540</u>	<u>740,526</u>	<u>780,029</u>	<u>-</u>		<u>2,453,095</u>

Health costs were included as part of community costs in 2017, but due to the growth of the activity have been separately reported in 2018.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

9 Support costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Staff costs	346,121	-	346,121	261,400	Income
Depreciation	5,751	-	5,751	2,604	Income
General office costs	33,702	-	33,702	160,870	Income
Murray House costs	258,673	-	258,673	-	Income
Governance costs	-	18,993	18,993	7,933	Governance
	<u>644,247</u>	<u>18,993</u>	<u>663,240</u>	<u>432,807</u>	
Analysed between					
Raising funds	89,194	2,630	91,824	55,788	Income
Charitable activities	555,053	16,363	571,416	377,019	Income
	<u>644,247</u>	<u>18,993</u>	<u>663,240</u>	<u>432,807</u>	

Governance costs includes payments to the auditors of £10,250 (2017- £7,800) for group audit fees.

Included in support costs is initial expenditure incurred for Murray House, which has been financed by restricted grant income.

10 Net movement in funds

	2018	2017
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	10,250	7,800
Depreciation of owned tangible fixed assets	6,975	6,281
	<u>17,225</u>	<u>14,081</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Football and sports development	21	26
Community	12	10
Learning and skills	24	10
Fundraising	5	2
Support	9	5
	<u>71</u>	<u>53</u>

Employment costs

	2018 £	2017 £
Wages and salaries	1,899,929	1,525,627
Social security costs	130,024	124,599
Other pension costs	33,396	14,803
	<u>2,063,349</u>	<u>1,665,029</u>

In addition to the above number of employees, an average of 72 (2017: 57) sessional coaches were employed during the year, along with 0 (2017: 5) matchday lottery sellers.

The number of employees whose annual remuneration was £60,000 or more were:

	2018 Number	2017 Number
£60,001 - £70,000	-	1

Key management have been determined to be the senior management team, defined as those having authority and responsibility delegated to them by the trustees for planning, directing and controlling the activities of the charity. The total employee benefits of the key management personnel were £219,455 (2017: £226,609).

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Expenses reimbursed amounted to £nil (2017: £nil).

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

13 Tangible fixed assets Group

	Plant and equipment £	Computer equipment £	Total £
Cost			
At 1 August 2017	-	67,662	67,662
Additions	60,858	3,129	63,987
At 31 July 2018	60,858	70,791	131,649
Depreciation and impairment			
At 1 August 2017	-	53,842	53,842
Depreciation charged in the year	-	6,975	6,975
At 31 July 2018	-	60,817	60,817
Carrying amount			
At 31 July 2018	60,858	9,974	70,832
At 31 July 2017	-	13,820	13,820

Charity

	Plant and equipment £	Computer equipment £	Total £
Cost			
At 1 August 2017	-	67,662	67,662
Additions	60,858	3,129	63,987
At 31 July 2018	60,858	70,791	131,649
Depreciation and impairment			
At 1 August 2017	-	53,842	53,842
Depreciation charged in the year	-	6,975	6,975
At 31 July 2018	-	60,817	60,817
Carrying amount			
At 31 July 2018	60,858	9,974	70,832
At 31 July 2017	-	13,820	13,820

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

14 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 August 2017	1
Additions	1
	<hr/>
At 31 July 2018	2
	<hr/>
Carrying amount	
At 31 July 2018	2
	<hr/>
At 31 July 2017	1
	<hr/>

The Charity owns the entire issued share capital of Newcastle United Foundation Projects Limited, which is incorporated in the United Kingdom. The registered office is St James' Park, Newcastle upon Tyne, NE1 4ST.

On 14 February 2018, the Charity acquired the entire issued share capital of Newcastle United Women's Football Club Limited, which is incorporated in the United Kingdom. The registered office is St James' Park, Newcastle upon Tyne, NE1 4ST.

A summary of the trading results and Balance Sheet position of Newcastle United Foundation Projects Limited is shown below.

Newcastle United Women's Football Club Limited did not trade during the period.

	2018 £	2017 £
Summary Statement of Comprehensive Income		
Turnover	99,724	-
Expenses	(98,132)	-
	<hr/>	<hr/>
	1,592	-
Taxation	-	-
	<hr/>	<hr/>
	1,592	-
	<hr/>	<hr/>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

14 Fixed asset investments (Continued)

	2018 £	2017 £
The assets and liabilities of the subsidiary were:		
Current assets	167,714	35,691
Creditors: amounts falling due within one year	(166,123)	(35,690)
Total net assets	1,591	1
Aggregated share capital and reserves	1,591	1

15 Debtors	Group 2018 £	2017 £	Charity 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	160,714	94,236	154,714	94,236
Amounts due from group undertakings	-	-	153,340	-
Other debtors	3,834	4,189	3,795	2,939
Prepayments and accrued income	103,126	31,554	103,126	17,514
	267,674	129,979	414,975	114,689

Amounts due from group undertakings represents an intercompany loan of £150,000 plus accrued interest, due for repayment by 31 July 2027. Interest is charged at 2% above base rate. The loan is secured over current and future property owned by the subsidiary.

16 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Charity 2018 £	2017 £
Trade creditors		19,110	54,964	19,110	53,465
Amounts due to fellow group undertakings		-	-	132,165	6,001
Amounts due to Newcastle United Football Company Limited		158,385	145,712	158,385	145,712
Other taxation and social security		10,282	5,490	-	-
Other creditors		7,930	5,338	7,930	5,338
Accruals		180,386	79,509	180,386	79,509
Deferred income	17	273,516	302,794	271,016	274,094
		649,609	593,807	768,992	564,119

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

17 Deferred income

	2018 £	2017 £
Balance as at 1 August 2017	302,794	290,784
Released from previous years	(300,294)	(290,784)
Resources deferred in the year	271,016	302,794
	<u>273,516</u>	<u>302,794</u>

Deferred income comprises income for Kick into Action, CIN Youth Violence, Advanced Courses and NCS income.

18 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	263,353	98,425
	<u>263,353</u>	<u>98,425</u>
Carrying amount of financial liabilities		
Measured at amortised cost	207,426	139,811
	<u>207,426</u>	<u>139,811</u>

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £33,396 (2017: £14,803). Contributions totalling £7,930 (2017: £2,198) were payable to the fund at the balance sheet date and are included in creditors.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

20 Analysis of charitable funds

For the year ended 31 July 2018:

Group	Balance at 1 August 2017	Movement in funds			Balance at 31 July 2018
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	609,819	1,683,296	(1,752,592)	(16,000)	524,523
Designated funds	70,000	-	(15,788)	16,000	70,212
	<u>679,819</u>	<u>1,683,296</u>	<u>(1,768,380)</u>	<u>-</u>	<u>594,735</u>
Restricted funds					
Head office	-	424,290	(351,636)	-	72,654
Football development	-	406,241	(378,879)	-	27,362
Learning and skills	-	629,196	(591,534)	-	37,662
Community	-	443,736	(339,460)	-	104,276
Health	-	53,923	(44,655)	-	9,268
	<u>-</u>	<u>1,957,386</u>	<u>(1,706,164)</u>	<u>-</u>	<u>251,222</u>
Total funds	<u>679,819</u>	<u>3,640,682</u>	<u>(3,474,544)</u>	<u>-</u>	<u>845,957</u>

Company	Balance at 1 August 2017	Movement in funds			Balance at 31 July 2018
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Unrestricted funds					
General funds	609,818	1,597,228	(1,674,954)	(16,000)	516,092
Designated funds	70,000	-	(15,788)	16,000	70,212
	<u>679,818</u>	<u>1,597,228</u>	<u>(1,690,742)</u>	<u>-</u>	<u>586,304</u>
Restricted funds					
Head office	-	414,290	(334,795)	-	79,495
Football development	-	406,241	(378,879)	-	27,362
Learning and skills	-	629,196	(591,534)	-	37,662
Community	-	443,736	(339,460)	-	104,276
Health	-	53,923	(44,655)	-	9,268
	<u>-</u>	<u>1,947,386</u>	<u>(1,689,323)</u>	<u>-</u>	<u>258,063</u>
Total funds	<u>679,818</u>	<u>3,544,614</u>	<u>(3,380,065)</u>	<u>-</u>	<u>844,367</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

20 Analysis of charitable funds (Continued)

Unrestricted funds

Unrestricted funds are available to be spent for any purposes of the charity.

Designated funds

Designated funds of £70,000 brought forward and partially used in the year comprise amounts set aside from the surplus generated by the 2013 Steve Harper 20 year charity match towards a current health initiative. The additional £16,000 designated in the year relates to the Whitley Bay Football Club Donation designed for use on the Murray House project.

Restricted funds

Restricted funds are those funds where the income received is restricted to provide specific programmes and activities within the wider programme of the Foundation.

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

20 Analysis of charitable funds (Continued)

For the year ended 31 July 2017:

Group	Balance at 1 August 2016 £	Movement in funds			Balance at 31 July 2017 £
		Incoming resources £	Resources expended £	Transfers £	
Unrestricted funds					
General funds	525,476	1,730,496	(1,646,153)	-	609,819
Designated funds	70,000	-	-	-	70,000
	<u>595,476</u>	<u>1,730,496</u>	<u>(1,646,153)</u>	<u>-</u>	<u>679,819</u>
Restricted funds					
Restricted funds	33,406	980,770	(1,014,176)	-	-
	<u>33,406</u>	<u>980,770</u>	<u>(1,014,176)</u>	<u>-</u>	<u>-</u>
Total funds	<u>628,882</u>	<u>2,711,266</u>	<u>(2,660,329)</u>	<u>-</u>	<u>679,819</u>

21 Analysis of group net assets between funds

For the year ended 31 July 2018:

Group	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	70,832	-	70,832
Net current assets	523,903	251,222	775,125
	<u>594,735</u>	<u>251,222</u>	<u>845,957</u>
Charity			
Tangible fixed assets	70,834	-	70,834
Net current assets	522,311	251,222	773,533
	<u>593,145</u>	<u>251,222</u>	<u>844,367</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

21 Analysis of group net assets between funds (Continued)

For the year ended 31 July 2017:

Group	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	13,820	-	13,820
Net current assets	665,999	-	665,999
	<u>679,819</u>	<u>-</u>	<u>679,819</u>
Charity			
Tangible fixed assets	13,821	-	13,821
Net current assets	665,997	-	665,997
	<u>679,818</u>	<u>-</u>	<u>679,818</u>
22 Cash generated from operations		2018 £	2017 £
Surplus for the year		166,138	50,937
Adjustments for:			
Investment income recognised in statement of financial activities		(1,739)	(2,229)
Depreciation and impairment of tangible fixed assets		6,975	6,281
Movements in working capital:			
(Increase)/decrease in debtors		(137,695)	25,597
Increase in creditors		85,080	52,503
(Decrease)/increase in deferred income		(29,278)	12,010
Cash generated from operations		<u>89,481</u>	<u>145,099</u>

NEWCASTLE UNITED FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

23 Related party transactions

The trustees consider that Newcastle United Limited and its subsidiary Newcastle United Football Company Limited (NUFC) are related parties of the charity by virtue of significant influence.

L Charnley, a trustee of the Foundation, is also a director of NUFC.

The charity receives substantial in-kind support from NUFC, in particular the licence to use the Club's brand and certain rights to use office space at the stadium and playing facilities at the first team training centre. Whilst not easily quantifiable, the impact on the charity, were these facilities not to be made available free of charge, would be hugely significant in both operational and financial terms.

NUFC is also a significant donor to the charity, through other quantifiable gifts in kind such as match day tickets and vehicles, all of which amounted to £135,504 (2017: £126,824).

During the year, NUFC made a donation amounting to £320,739 (2017: £369,398).

During the year, NUFC processed the charity's payroll and pension schemes for a total value of £1,742,610 (2017: £1,372,159) which the charity repays in full to NUFC on a monthly basis. No service charge or mark-up fee was paid to NUFC by the charity for the provision of this service. The amount owing to NUFC by the charity in relation to payroll repayments at the year end was £158,385 (2017: £114,626).

Other payments made by the charity to NUFC during the year amounted to £13,514 (2017: £88,685) including stadium tours, match tickets for resale, together with recharges of costs incurred on the charity's behalf, including staff time, telephone usage and office supplies.

The charity has taken the exemption contained within FRS 102 for disclosing transactions with its wholly owned subsidiaries as consolidated financial statements are prepared.

24 Volunteers

Newcastle United Foundation has volunteers who gave their time across all foundation programmes. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts. The current headcount is 85 volunteers.